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January 18, 2001

Arizona Corporation Commission MAIL dick@sd-law.com

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Re: Rio Verde Utilities, Inc.; Docket Nos. WS-02156A-00-0321 & 0323

Dear Tom:

We have just received from Dave Ritchie, President of Rio Verde Utilities, Inc., a copy of the January 10, 2001 correspondence from Mr. Fay E. Schlotfeldt addressed to Commissioner Mundell regarding the pending rate reapplication.

I understand Mr. Schlotfeldt is a member of the Rio Verde Community Association Utilities Committee, an intervener in this proceeding. As such, I believe it is inappropriate, if not illegal, for Mr. Schlotfeldt to have ex parte communications with the Commissioners. I realize that as a committee member, he is by definition a customer of Rio Verde, however, the nature of his communication was substantially more than a customer comment.

We would appreciate your reminding committee members of their unique status as intervenors in this proceeding, and counseling them regarding their communications.

Thank you for your cooperation in this matter.

Singerely,

Richard L. Sallquist

For the Firm

Enclosures

cc:

Docket control (10 copies)

Hearing Division

David Ritchie (via fax: 480-471-7636)